

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2160

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 41-1505.09, Arizona Revised Statutes, is amended
3 to read:

4 41-1505.09. Arizona twenty-first century competitive initiative
5 fund; purpose; administration

6 A. The Arizona twenty-first century competitive initiative fund is
7 established to be administered by the commerce and economic development
8 commission. The fund consists of monies appropriated by the legislature,
9 earnings from the fund and gifts or grants donated or given to the fund.
10 Monies in the fund are subject to legislative appropriation and shall be used
11 as prescribed by this section. The Arizona twenty-first century competitive
12 initiative fund is exempt from section 41-1505.06, subsection A, paragraph 5,
13 section 41-1505.06, subsection G and section 41-1505.07.

14 B. On notice from the commission, the state treasurer may invest and
15 divest monies in the fund as provided by section 35-313. The state treasurer
16 shall credit monies earned from investments to the fund.

17 C. The commission shall enter into a memorandum of understanding with
18 a nonprofit corporation to use monies in the fund in order to:

19 1. Build and strengthen medical, scientific and engineering research
20 programs and infrastructure in areas of greatest strategic value to this
21 state's competitiveness in the global economy ~~with an emphasis in bioscience~~.

1 2. Actively engage scientific research, academic and medical
2 institutions that represent both the public and private sectors on a
3 worldwide basis.

4 3. AS DIRECTED BY THE LEGISLATURE, ANALYZE THE SOURCE AND USE OF STATE
5 MONIES APPROPRIATED BY THE LEGISLATURE FOR MEDICAL, SCIENTIFIC AND
6 ENGINEERING RESEARCH PROGRAMS AND INFRASTRUCTURE.

7 D. In order to enter into a memorandum of understanding with the
8 commission pursuant to subsection C of this section, a nonprofit corporation
9 shall:

10 1. Be a statewide nonprofit corporation that is incorporated in this
11 state and that is qualified under section 501(c)(3) of the United States
12 internal revenue code.

13 2. Agree on a quarterly basis to report on investments made and agree
14 on an annual basis to report on measurable objectives and other funds
15 leveraged with state investments.

16 3. Identify and document private or philanthropic investments that are
17 equivalent to fifty million dollars or more in fiscal year 2005-2006. For
18 fiscal year 2006-2007, the nonprofit corporation shall provide funding to
19 achieve the goals prescribed in subsection C of this section in an amount
20 equal to or greater than the financial assistance provided by this state.

21 E. The commission shall submit the memorandum of understanding with
22 the nonprofit corporation to the joint legislative budget committee for
23 review before expending any appropriated state monies. The initial
24 submission shall include provisions that address how the nonprofit
25 corporation accounts for the application and investment of monies pursuant to
26 subsection C of this section, the documentation of investments made in whole
27 or in part through funding pursuant to this section and the preparation and
28 filing of annual audits of the fund with the auditor general. The initial
29 submission shall also include performance measures to evaluate the
30 effectiveness of the program and recommendations pertaining to prospective
31 repayment to the fund by scientific, research, academic and medical
32 institutions of a portion of the income derived from technology or

1 intellectual property created or developed in whole or in part through
2 funding pursuant to this section. The joint legislative budget committee
3 shall review expenditures from the fund at least quarterly, including any
4 changes to the memorandum of understanding, but may choose less frequent
5 reviews.

6 Sec. 2. Analysis of state monies dedicated to medical,
7 scientific and engineering research; recommendations;
8 proposed bill

9 A. The nonprofit organization that is receiving state monies pursuant
10 to Laws 2007, chapter 260, section 6 shall undertake an analysis of all state
11 monies that have been appropriated by the legislature for medical, scientific
12 and engineering research programs during the last legislative session and all
13 state monies for this type of research that remain unexpended or
14 unencumbered.

15 B. The nonprofit corporation, in cooperation with the staff of the
16 joint legislative budget committee, shall identify the purpose of all such
17 state monies appropriated to a budget unit of this state that relate to
18 research involving medical, scientific and engineering research programs and
19 that are obtained either in an overall lump sum amount to the budget unit or
20 as a specific appropriation to the budget unit. After identifying the
21 monies, the nonprofit corporation shall use the nonprofit's resources to
22 engage in a nationwide peer review to analyze the purpose of the research
23 monies in comparison with what other states are attempting to accomplish and
24 evaluate whether the research best benefits this state and is the most
25 efficient use of state research monies. After conducting this analysis, the
26 nonprofit corporation shall recommend whether a proposed use of state
27 research monies would be redundant, duplicative or excessive in light of what
28 other state research efforts are attempting to accomplish. The nonprofit
29 organization, after reviewing other state efforts at medical, scientific and
30 engineering research, shall also recommend areas of medical, scientific and
31 engineering research that would yield the greatest strategic value to this
32 state's competitiveness in the global economy.

1 C. The joint legislative budget committee staff shall assist the
2 nonprofit corporation in identifying monies that were appropriated for
3 medical, scientific and engineering research in the budget bills enacted by
4 the legislature and where and for what purpose those state monies are
5 intended to be spent.

6 D. The nonprofit organization shall recommend legislation to address
7 state monies that have been previously appropriated for medical, scientific
8 or engineering research and, if those monies are not encumbered or expended,
9 direct those monies to those research areas that the nonprofit organization
10 has determined would best serve the interests of this state in promoting this
11 state's competitiveness in the global economy. The nonprofit organization
12 shall submit the recommendation to the joint legislative budget committee.
13 The joint legislative budget committee staff shall have the recommendation
14 prepared as a bill for introduction in the forty-ninth legislature, first
15 regular session. The joint legislative budget committee shall determine if
16 the bill will be introduced.

17 E. If introduced by the joint legislative budget committee, the
18 legislature shall consider the proposed bill that is recommended and prepared
19 pursuant to subsection D of this section, as introduced, and vote on the
20 proposal for implementation in fiscal year 2009-2010 with no substantive
21 amendments added, except that the legislature may consider technical
22 amendments to correct nonsubstantive errors in the proposed bill."

23 Amend title to conform

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